

**SALES OF HOMES, CONDOS COOL DURING AUGUST IN GREATER BOSTON,
BUT PRICES CONTINUE TO RISE, LOW INVENTORY TO BLAME**

Boston, MA, -- The Greater Boston housing market was little changed in August as sales of single-family homes and condominiums continued a months-long decline, but home values rose steadily from year ago levels as the inventory of residential property listings for sale remains insufficient to meet current buyer demand, data from the latest monthly report issued by the Greater Boston Association of REALTORS® (GBAR) shows.

Sales of single-family homes fell for a seventh consecutive month, declining 13.9 percent on a year-over-year basis, from 1,572 homes sold in August 2019 to 1,353 homes sold last month. Last month's sales volume is the lowest for any August since 2011 and reflects an 11.6 percent decrease from the 1,530 homes sold in July 2020. Sales activity also slowed in the condominium market, with sales dropping 16.6 percent to 978 units sold this August from 1,164 sales in August a year ago. Sales of condos have declined on an annual basis each month since April, and also decreased on a month-to-month basis by 11.4 percent from the 1,096 units sold in July 2020.

"The latest sales figures belie how busy the market has been," said GBAR President Jason Gell, an agent with RE/MAX Unlimited in Brookline. "The pandemic severely delayed our spring market and with mortgage rates falling back to record lows, we've had no shortage of buyers and seen healthy foot traffic at open houses all summer long," he noted.

While demand is likely to soften as the presidential election nears, it's an insufficient supply of listings for sale and the pandemic that's led to the slower sales pace to date, Gell asserted. "There's been some softening in the market for large, high-end single-family homes and properties in the urban core with small living areas and no outdoor space. Elsewhere, however, the biggest challenge we face is not having enough inventory to sell, and this will continue to hold back the market until state lawmakers pass meaningful zoning reform to promote more housing production," he explained.

With demand exceeding supply, it's of little surprise that selling prices continued to climb last month. In fact, in the single-family home market, the median selling price rose to a new all-time monthly record high of \$720,000 in August, a 12.5 percent gain from one year ago when the median was \$640,000 in August 2019. The median price also increased on a monthly basis by 2.9 percent from \$700,000 in July. This marks the fifth consecutive month the single-family median price has set a new record. In the condo market, the median selling price also improved over the prior year, but more modestly, increasing 3 percent from \$568,000 in August 2019 to a new monthly high for August of \$585,000 last month.

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“These price levels are unprecedented and demonstrate the strong appetite for home ownership, as well as the resiliency of our local housing market,” Gell observed. “The strong upward pressure on prices we’re seeing can be attributed to our extremely limited inventory, years of pent-up demand from entry-level buyers who’ve delayed the purchase of their first home, and the pandemic which has led many to re-examine their living space and pursue an upgrade to a larger home or a move to the suburbs,” observed Gell. “he added.

The inventory of properties for sale is especially tight for single-family homes where active listings have declined on an annual basis for the past 10 months. In August, the number of homes for sale decreased 23.3 percent, from 2,447 homes on the market in August 2019 to 1,876 homes listed for sale last month. Single-family home listings also slid on a monthly basis, falling 11.6 percent from 1,530 homes for sale in July. In the condo market, it’s a different story as active listings rose 35.1 percent over year ago levels, from 1,977 units on the market last August to 2,670 units for sale in August 2020, but did drop 2.4 percent from one month earlier when there were 2,737 condos on the market in July.

“Sellers still hold the upper hand due to the imbalance between supply and demand, but buyers should take comfort in the fact that there was a spike in new listings that came on the market last month which was followed by another influx of new properties put up for sale around Labor Day. That’s certain to help boost buying opportunities this fall,” stated Gell. Notably, the number of new listings of single-family homes for sale rose on an annual basis by 46.4 percent in August, climbing from 1,066 in August 2019 to 1,561 last month, while the number of condos listed for sale in August increased 52.7 percent, from 902 units put up for sale last August to 1,377 in August 2020.

This recent uptick in inventory, even if temporary, means more competition for those looking to sell, and with fewer buyers typically in the market during the fall months, the GBAR president cautioned home sellers not to become overconfident. “While many properties are selling at or above asking price, today’s home buyers are very knowledgeable about the market and can easily spot listings that are overpriced. It’s no longer location, location, location that generates top dollar, but rather the property’s condition, price and location that are factors in the home buying decision,” Gell said.

Even before this sharp increase in new residential listings, both the single-family home and condominium markets saw an increase in pending sales during August, which provides solid evidence that home buying activity will remain busy at least until mid-autumn. Among single-family homes, pending sales rose sharply by 37.5 percent to 1,500 last month, from 1,091 homes put under agreement in August 2019. In addition, the number of condos placed under agreement increased 16.6 percent over the past year, from 862 pending sales last August to 1,005 in August 2020.